

HOUSE BILL REPORT

HB 1920

As Reported by House Committee On:
Commerce & Gaming

Title: An act relating to inspections of licensed marijuana processors' equipment and facilities.

Brief Description: Concerning inspections of licensed marijuana processors' equipment and facilities.

Sponsors: Representatives Condotta, Sawyer, Blake, Young and Appleton.

Brief History:

Committee Activity:

Commerce & Gaming: 2/7/17, 2/9/17, 2/13/17 [DPS].

Brief Summary of Substitute Bill

- Establishes that the Director of Fire Protection or designee may perform certain inspections or approvals of licensed marijuana processors' equipment and facilities required under Liquor and Cannabis Board rule when the local fire code official does not perform the inspection or approval.
- Requires the local government in which a marijuana processor is located to reimburse the Director of Fire Protection or designee for the costs of the inspection or approval in certain circumstances.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Barkis, Blake, Farrell, Jenkin, Kirby, Ryu and Young.

Staff: Peter Clodfelter (786-7127).

Background:

Inspections of Marijuana Processors' Equipment and Facilities.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

State law provides that no person other than a marijuana processor licensed by the Liquor and Cannabis Board (LCB) may use butane or other explosive gases to extract resin from marijuana or to produce or process any form of marijuana concentrates or marijuana-infused products that include marijuana concentrates not purchased from a validly licensed marijuana retailer as an ingredient. However, cooking oil, butter, and other nonexplosive home cooking substances may be used to make marijuana extracts for noncommercial personal use.

Pursuant to legislative directive, the LCB adopted rules establishing that marijuana processors are limited to certain methods, equipment, solvents, gases, and mediums when creating marijuana extracts. The LCB's rules provide that marijuana processors may use a professional grade closed loop CO2 gas extraction system meeting certain standards if such extraction systems are commercially manufactured, bear a permanently affixed and visible serial number, and are certified by a professional engineer. Additionally, the LCB's rules require that professional closed loop systems, other equipment, the extraction operation, and facilities must be approved for their use by the local fire code official and meet any required fire, safety, and building code requirements.

Director of Fire Protection.

The Chief of the Washington State Patrol appoints an officer who is known as the Director of Fire Protection. Wherever the term State Fire Marshal is used in law it means the Director of Fire Protection. The Office of the Director of Fire Protection is organized as a Bureau within the Washington State Patrol. The Director of Fire Protection is charged with providing training, certification, and coordination duties related to protecting life, property, and the environment from fire. Additional duties include performing inspections of nursing home facilities, boarding homes, hospitals, and childcare centers to ensure compliance with required safety standards and fire regulations. The Director of Fire Protection may designate deputies and may delegate to those deputies the Director of Fire Protection's duties and authorities as deemed appropriate.

Summary of Substitute Bill:

Any inspection of or approval of a marijuana processor's professional closed loop systems, equipment, extraction operation, or facilities to ensure compliance with applicable fire, safety, or building code requirements that must be performed by a local fire code official pursuant to state Liquor and Cannabis Board (LCB) rule may, instead, be performed by the Director of Fire Protection or the Director of Fire Protection's designee if the marijuana processor requests that the local fire code official perform the inspection or approval and 30 calendar days after the date of the request the local fire code official has not performed the inspection or approval.

The county, city, or town in which a marijuana processor is located must reimburse the Director of Fire Protection or the Director of Fire Protection's designee, as applicable, if the local fire code official does not perform the required inspection or approval within 30 days of a request and the inspection or approval is instead performed by the Director of Fire Protection or the Director of Fire Protection's designee. The reimbursement by the county, city, or town must be made within 30 days of a request for reimbursement.

It is provided that the act does not require a local fire code official, the Director of Fire Protection, or the Director of Fire Protection's designee to approve of a marijuana processor's professional closed loop systems, equipment, extraction operation, or facilities if the systems, equipment, operation, or facilities is not in compliance with applicable fire, safety, or building code requirements.

All electrical wiring and equipment must conform to relevant state law related to electrical safety to life and property, including but not limited to requirements regarding electrical contractor licensing, electrician certification, and electrical permitting and inspection.

Substitute Bill Compared to Original Bill:

Accredited commercial electrical inspectors are removed as an authorized entity that may perform the alternative inspections or approvals of marijuana processors' facilities and equipment. A requirement is added that all electrical wiring and equipment must conform to relevant state law related to electrical safety to life and property, including but not limited to requirements regarding electrical contractor licensing, electrician certification, and electrical permitting and inspection.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The State Liquor and Cannabis Board (LCB) rules require marijuana processors' facilities and extraction systems to undergo an inspection by a local fire code official to ensure building, electrical, and fire code requirements are met. This is a public safety issue, not a land use issue. In Chelan County, and perhaps elsewhere, the local fire code officials are not performing the inspections because of local land use restrictions related to marijuana businesses, which is significantly disrupting marijuana processors' businesses and causing frustration. This bill is an attempt to solve that problem. It will stop local governments from subverting what the people called for in legalizing marijuana through Initiative 502. This bill is very important for stakeholders in the industry playing by all the rules who are nevertheless being blocked from operating and from fulfilling their duty to the state to be inspected.

(Opposed) Stakeholders would prefer that this issue be dealt with at the local level, but will work with proponents to find a workable solution. There is concern that some of the equipment in marijuana processors' facilities is not the type of equipment that an electrical inspector is in the best position to inspect, and someone like a mechanical engineer could also be necessary to adequately perform the inspection. The terminology about the

accredited commercial electrical inspectors needs to be clarified, as that is not a state certification.

(Other) The term accredited commercial electrical inspector needs to be clarified, because that term is not used in Washington. Stakeholders have suggested language to make this clarification. The bill has potential to produce good, technical jobs for the electrical industry.

Persons Testifying: (In support) Representative Condotta, prime sponsor; Josh Bitterman and Catelein Ryan, Central Washington Growers Association; and David Rice and Chris Marr, Regulatory Consultant.

(Opposed) Amy Brackenbury, Washington Association of Building Officials.

(Other) Matthew Hepner, International Brotherhood of Electrical Workers.

Persons Signed In To Testify But Not Testifying: None.